

## **§ 1739.11**

corporations or limited liability companies organized on a for-profit or not-for-profit basis.

(b) Have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations.

### **§ 1739.11 Eligible project.**

To be eligible for a grant, the Project must:

(a) Serve a Rural Area where Broadband Transmission Service does not currently exist, to be verified by the Agency prior to the award of the grant;

(b) Serve one Community recognized in the latest U.S. Census or the latest edition of the Rand McNally Atlas;

(c) Deploy Basic Broadband Transmission Service, free of all charges for at least 2 years, to all Critical Community Facilities located within the proposed Service Area;

(d) Offer Basic Broadband Transmission Service to residential and business customers within the proposed Service Area; and

(e) Provide a Community Center with at least ten (10) Computer Access Points within the proposed Service Area, and make Broadband Transmission Service available therein, free of all charges to users for at least 2 years.

### **§ 1739.12 Eligible grant purposes.**

Grant funds may be used to finance:

(a) The construction, acquisition, or leasing of facilities, including spectrum, to deploy Broadband Transmission Service to all participating Critical Community Facilities and all required facilities needed to offer such service to residential and business customers located within the proposed Service Area;

(b) The improvement, expansion, construction, or acquisition of a Community Center that furnishes free access to broadband Internet service, provided that the Community Center is open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for such costs shall not exceed the greater of five per-

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cent (5%) of the grant amount requested or \$100,000;

(c) End-User Equipment needed to carry out the Project;

(d) (1) Operating expenses incurred in providing Broadband Transmission Service to Critical Community Facilities for the first 2 years of operation and in providing training and instruction. In order to qualify as eligible costs for grant coverage or as matching fund contributions, operating expenses for providing broadband transmission service to Critical Community Facilities must:

(i) Be incurred for the purpose of providing broadband service to the Critical Community Facilities and be for costs incurred during the first two years of operation; and

(ii) Be for the following purposes subject to the specified maximum amounts:

(A) Salary for operations manager, not to exceed \$30,000 per year.

(B) Salary for technical support staff, not to exceed \$30,000 per year.

(C) Salary for community center staff, not to exceed \$25,000 per year.

(D) Bandwidth expenses, not to exceed \$25,000 per year.

(E) Training courses on the use of the Internet, not to exceed \$15,000 per year.

(2) The operating costs to be funded by the grant or used as matching contributions cannot exceed in the aggregate \$250,000. No other operating expenses are eligible for grant funding or to be considered as matching funds; and

(e) The purchase of land, buildings, or building construction needed to carry out the Project.

### **§ 1739.13 Ineligible grant purposes.**

(a) Grant funds may not be used to finance the duplication of any existing Broadband Transmission Service provided by another entity.

(b) Facilities financed with grant funds cannot be utilized, in any way, to provide local exchange telecommunications service to any person or entity already receiving such service.

### **§ 1739.14 Matching contributions.**

(a) The grant applicant must contribute a Matching Contribution which is at least fifteen percent (15%) of the